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MONTANA

ECONOMIC

INDICATORS

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Research and Analysis Section
EMPLOYMENT SECURITY DIVISION
DEPARTMENT OF LABOR AND INDUSTRY

FEBRUARY 1973

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MONTANA
ECONOMIC INDICATORS

AN ANALYSIS OF PAST AND PRESENT ECONOMIC TRENDS

MONTANA STATE EMPLOYMENT SERVICE
EMPLOYMENT SECURITY DIVISION
DEPARTMENT OF LABOR AND INDUSTRY

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Employment, Hours and Earnings, and Labor

Turnover data produced in cooperation with

the Bureau of Labor Statistics and the

Manpower Administration.

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ANALYSIS - 1973

In retrospect, Montana's economy during 1972 showed marked improvement over the 1969 and 1970 period and slight improvement over 1971. Economic conditions in Montana during 1973 will be affected by many variables but present data indicates improved conditions for 1973.

In review, average weekly hours showed post-recession recovery. Total accessions were down from 1970 - 1971 but this was offset by the corresponding decrease in layoffs. (See Page 4)

Average weekly initial claims continued to rise during 1972, but this rise is partially attributed to the increased unemployment insurance coverage caused by public law 91-373. This law made all non-profit business employees eligible for unemployment insurance benefits.

Building permits showed the healthiest increase in seven years. Dollar valuation of building permits also displayed a healthy increase; however, this can be attributed partially to a change in the methodology used for determining valuation in some areas. (See Page 6)

Average weekly insured unemployment remained high during 1972. The unemployment rate and total unemployment reached the highest level in 20 years. The high level of these series is attributed to the growth of the labor force and concurrent slow growth of jobs, the phasing out of several large construction projects, and several manufacturing plant closures in Montana. During 1973 the unemployment rate is expected to drop while the total number of unemployed persons is expected to remain close to the 1972 average. (See Page 8)

ANALYSIS - 1973 (Cont.)

An encouraging trend was noted in the employment series as moderate gains were displayed in spite of several manufacturing plant closures. The nonagricultural employment index and the civilian work force index kept pace with their respective indexes on the national level.

(See Page 10)

Bank debits reached the highest level ever reached in the history of the series. This trend is expected to continue throughout 1973. Nonagricultural placements reached the highest level in five years. The Montana composite index displayed the strongest recovery trend since 1969. (See Page 12).

Farmers paid the highest prices for goods and services in the 25-year history of the series. However, prices received for farm products made very substantial gains in the final quarter of 1972, hence the farmers' parity ratio also made substantial gains. Lumber and wood products employment showed moderate gains. (See Page 14)

Total new corporations made healthy gains during 1972 as dissolutions and withdrawals were down, and new corporations were up. (See Page 16)

MONTANA LEADING INDICATORS

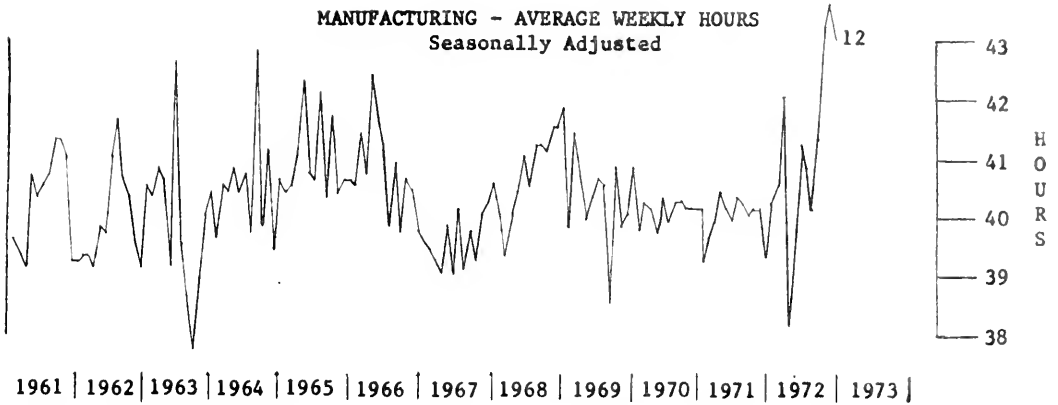
1971 1972 1973

	Manufacturing- Average Weekly Hours		Manufacturing- Total Accessions (Per 100 Employees)		Manufacturing- Layoffs (Per 100 Employees)	
	UNADJUSTED	ADJUSTED	UNADJUSTED	ADJUSTED	UNADJUSTED	ADJUSTED
<u>1971</u>						
January	40.3	40.1	3.4	4.9	2.4	2.1
February	39.4	39.6	2.1	3.7	1.1	1.2
March	39.7	39.9	5.3	6.6	1.4	2.1
April	39.7	40.4	5.4	4.5	1.1	1.4
May	40.2	40.1	5.0	3.7	0.4	0.6
June	39.4	39.9	7.2	3.9	0.6	0.8
July	39.9	40.3	5.6	4.8	0.8	1.0
August	41.2	40.2	4.4	4.4	1.4	1.2
September	40.5	40.0	4.6	3.9	0.9	0.9
October	40.3	40.1	4.5	4.1	1.2	0.8
November	39.9	40.1	2.1	3.8	1.2	0.9
December	39.5	39.3	2.0	3.6	0.9	0.7
<u>1972</u>						
January	40.5	40.2	2.6	3.8	0.9	0.7
February	40.4	40.5	2.3	4.1	1.1	1.2
March	41.7	42.0	3.2	4.0	2.9	4.3
April	37.4	38.1	3.1	2.6	0.4	0.5
May	37.3	37.2	4.4	3.2	0.5	0.7
June	40.7	41.2	5.6	3.0	0.7	0.9
July	40.4	40.8	5.1	4.4	0.9	1.2
August	41.1	40.1	4.3	4.3	2.0	1.7
September	41.8	41.3	5.3	4.5	2.1	2.0
October	43.6	43.4	4.6	4.2	1.4	1.0
November	43.4	43.6	2.2	4.0	1.7	1.2
December	43.2	43.0				
<u>1973</u>						
January						
February						
March						
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August						
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October						
November						
December						

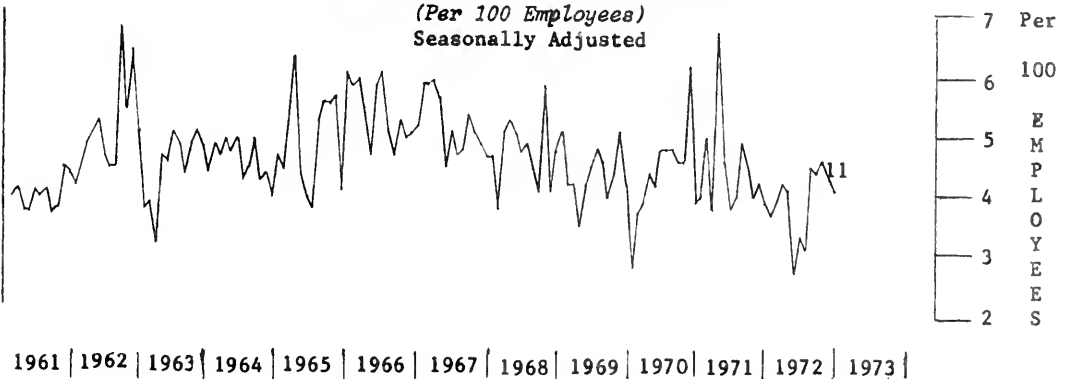
NOTE: Seasonally adjusted data and the use of indexes are provided for statistical analysis only and should not be confused with actual numbers. See Glossary.

MONTANA LEADING INDICATORS

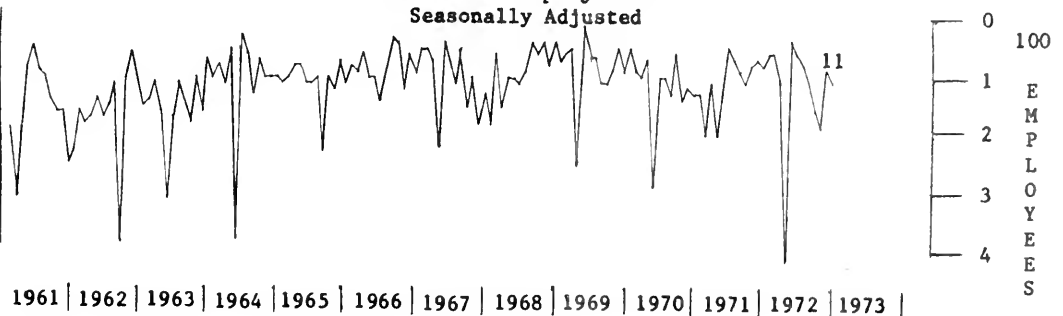
MANUFACTURING - AVERAGE WEEKLY HOURS Seasonally Adjusted



MANUFACTURING - TOTAL ACCESSIONS (Per 100 Employees) Seasonally Adjusted



MANUFACTURING - LAYOFFS (Inverted) (Per 100 Employees) Seasonally Adjusted



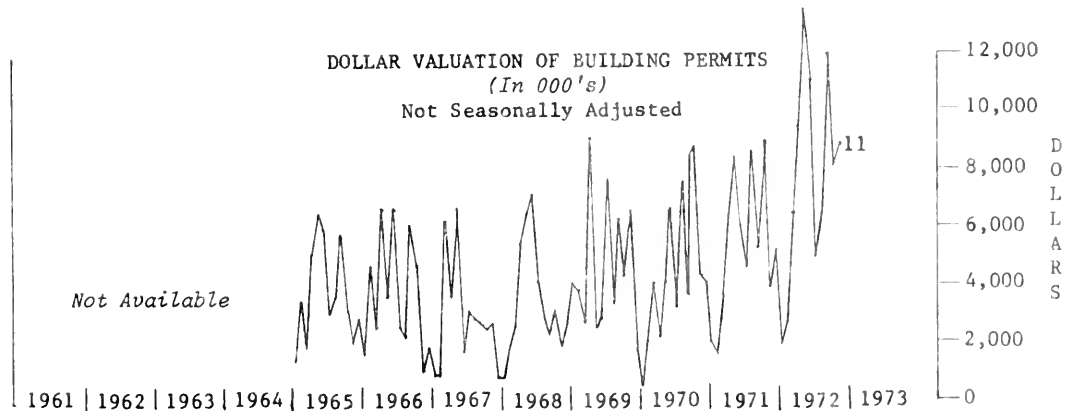
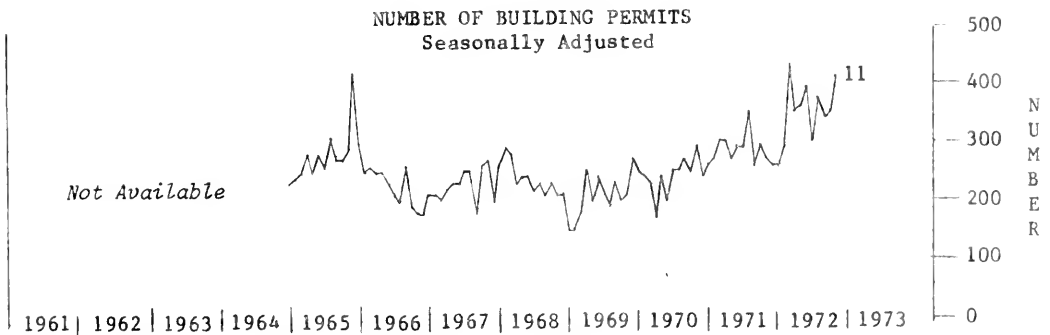
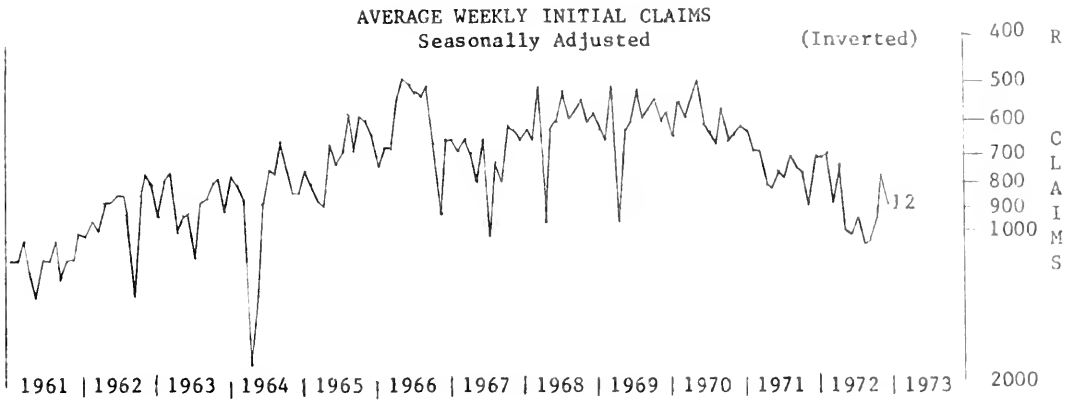
MONTANA LEADING INDICATORS

1971 1972 1973

	Average Weekly Initial Claims		Building Permits		
	UNADJUSTED	ADJUSTED	Number		Valuation (In 000's)
			UNADJUSTED	ADJUSTED	UNADJUSTED
<u>1971</u>					
January	1,195	586	106	274	\$ 2,123
February	912	703	153	289	1,740
March	849	741	277	311	3,742
April	705	730	443	319	6,418
May	450	763	364	287	8,426
June	543	828	406	306	6,162
July	534	827	382	309	4,780
August	967	1,863	410	365	8,693
September	849	1,608	357	277	5,370
October	735	958	387	309	9,046
November	901	755	228	280	4,044
December	1,256	761	136	276	5,243
<u>1972</u>					
January	1,428	709	105	273	\$ 2,067
February	883	690	159	302	2,740
March	1,003	871	398	448	6,531
April	712	737	514	365	9,527
May	585	992	473	372	13,566
June	667	1,017	532	401	11,160
July	611	946	392	317	5,043
August	563	1,085	437	389	6,533
September	555	1,051	454	352	12,834
October	713	931	452	361	8,244
November	919	770	344	423	8,994
December	1,465	887			
<u>1973</u>					
January					
February					
March					
April					
May					
June					
July					
August					
September					
October					
November					
December					

NOTE: Seasonally adjusted data and the use of indexes are provided for statistical analysis only and should not be confused with actual numbers. See Glossary.

MONTANA LEADING INDICATORS



MONTANA COINCIDING INDICATORS

1971 1972 1973

	<u>Average Weekly Insured Unemployed</u>		<u>Unemployment Rate (Percent)</u>		<u>Unemployment Total (In Thousands)</u>	
	<u>UNADJUSTED</u>	<u>ADJUSTED</u>	<u>UNADJUSTED</u>	<u>ADJUSTED</u>	<u>UNADJUSTED</u>	<u>ADJUSTED</u>
<u>1971</u>						
January	9,033	4,893	8.8	6.9	23.7	19.7
February	9,116	4,750	9.0	6.8	24.5	19.8
March	8,533	4,807	8.3	6.5	23.1	18.9
April	6,636	5,132	7.0	6.5	20.3	19.1
May	4,332	5,226	5.8	6.3	17.1	18.5
June	3,609	6,410	7.1	6.5	22.5	19.1
July	3,978	7,339	6.2	6.9	19.8	20.5
August	5,442	11,880	5.9	7.6	18.9	22.6
September	4,229	10,625	5.7	7.5	16.9	22.5
October	4,888	11,111	5.3	7.3	15.3	21.4
November	5,926	8,394	6.2	6.4	18.2	19.0
December	7,377	6,002	7.2	7.1	20.9	21.3
<u>1972</u>						
January	9,582	5,191	9.3	7.3	26.0	21.7
February	12,269	6,393	9.3	7.1	26.3	21.3
March	8,744	4,926	8.8	6.9	25.6	20.9
April	6,588	5,095	7.5	7.0	22.4	21.1
May	5,197	6,284	6.8	7.4	20.5	22.2
June	4,077	7,242	7.7	7.2	24.9	21.2
July	4,542	8,380	6.5	7.3	20.4	21.2
August	4,424	9,659	6.4	8.3	20.6	24.7
September	3,642	9,150	5.9	7.9	17.7	23.6
October	4,979	11,341	5.9	8.1	17.0	23.8
November	6,370	9,023	7.2	7.4	21.0	22.0
December	8,582	6,983	9.7	9.6	28.6	29.3
<u>1973</u>						
January			10.2	9.9	28.5	29.9
February						
March						
April						
May						
June						
July						
August						
September						
October						
November						
December						

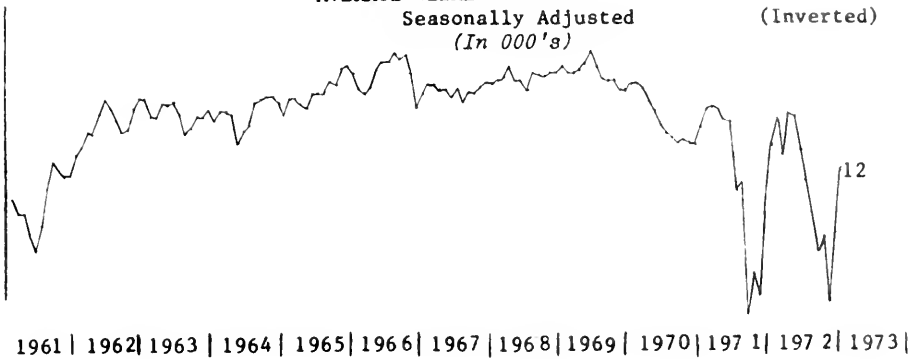
NOTE: Seasonally adjusted data and the use of indexes are provided for statistical analysis only and should not be confused with actual numbers. See Glossary.

MONTANA COINCIDING INDICATORS

AVERAGE WEEKLY INSURED UNEMPLOYED
Seasonally Adjusted
(In 000's)

(Inverted)

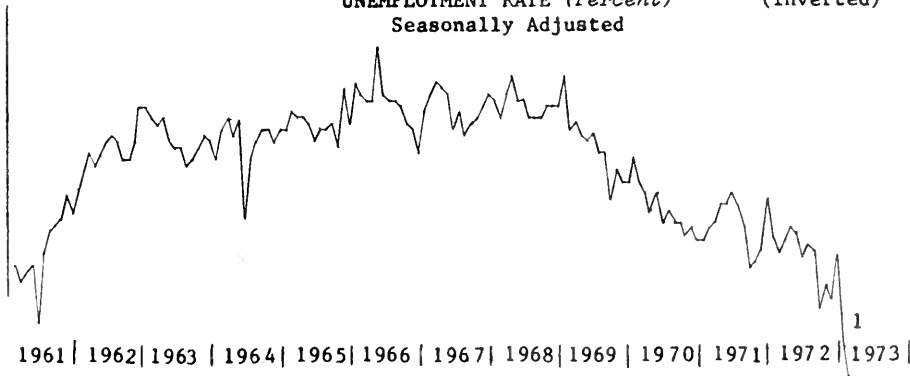
1
3
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UNEMPLOYMENT RATE (Percent)
Seasonally Adjusted

(Inverted)

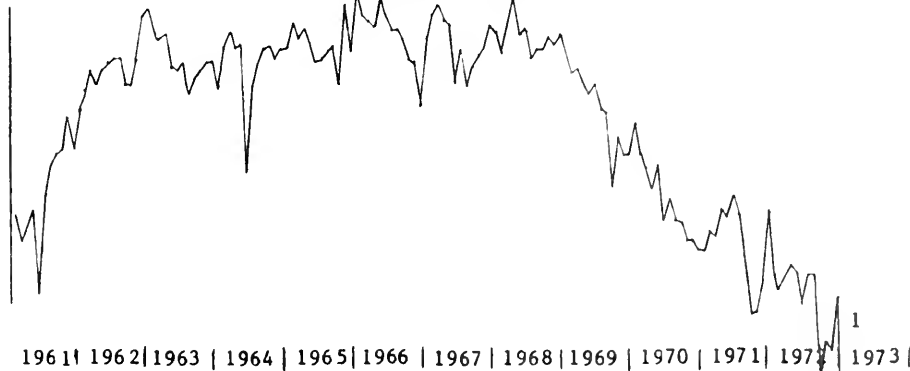
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UNEMPLOYMENT TOTAL Seasonally Adjusted (Inverted)
(In 000's)

(Inverted)

12
14
16
18
20
22
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MONTANA COINCIDING INDICATORS

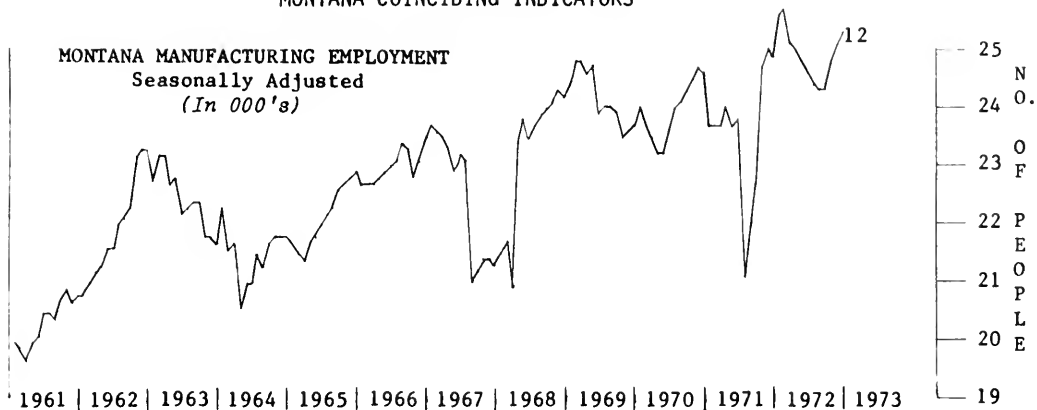
1971 1972 1973

	<i>INDEX 1967 = 100</i>				
	Montana Manufacturing Employment (In 000's) Seas. Adj.	Montana Nonag. Employment INDEX	U. S. Nonag. Employment INDEX	Montana Civilian Work Force INDEX	U. S. Civilian Work Force INDEX
<u>1971</u>					
January	23.0	105.8	107.0	105.4	108.5
February	22.8	106.8	106.6	106.7	107.8
March	22.8	107.7	106.5	106.5	107.9
April	22.8	107.2	106.5	107.3	108.3
May	23.2	107.7	107.1	107.5	108.8
June	24.4	107.7	106.5	107.2	107.5
July	22.5	106.0	107.1	108.2	108.4
August	22.8	105.9	107.5	109.3	109.0
September	23.2	106.6	108.0	109.3	109.4
October	25.5	109.2	108.4	107.5	109.6
November	25.4	110.5	108.7	109.2	110.0
December	24.9	110.3	108.7	110.1	110.2
<u>1972</u>					
January	24.8	109.3	109.5	108.9	110.8
February	24.7	110.0	109.5	109.4	110.5
March	24.1	111.4	110.3	110.5	111.6
April	24.0	109.7	110.4	110.7	111.5
May	24.3	109.1	110.7	110.1	111.8
June	25.2	107.2	111.1	108.1	111.6
July	25.4	106.4	110.9	109.4	111.7
August	25.2	105.5	111.1	108.7	112.3
September	24.9	106.1	111.5	109.0	112.5
October	25.6	108.0	111.8	107.7	112.8
November	25.4	109.2	112.0	108.9	112.5
December	25.4	109.7	112.3	112.0	112.9
<u>1973</u>					
January		108.6			
February					
March					
April					
May					
June					
July					
August					
September					
October					
November					
December					

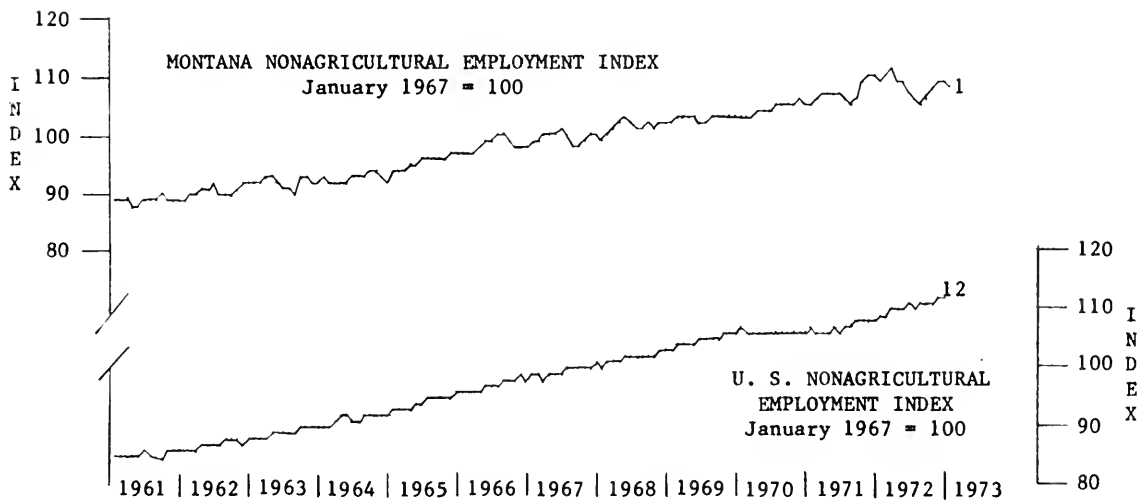
NOTE: Seasonally adjusted data and the use of indexes are provided for statistical analysis only and should not be confused with actual numbers. See Glossary.

MONTANA COINCIDING INDICATORS

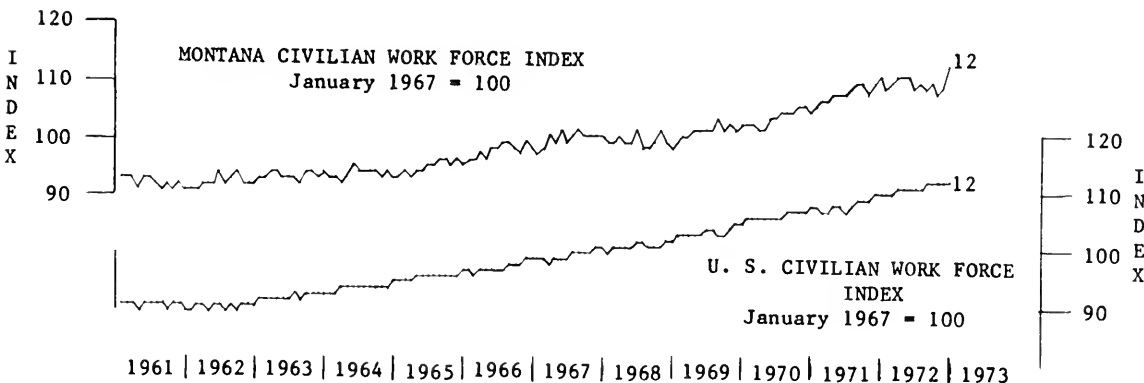
MONTANA MANUFACTURING EMPLOYMENT
Seasonally Adjusted
(In 000's)



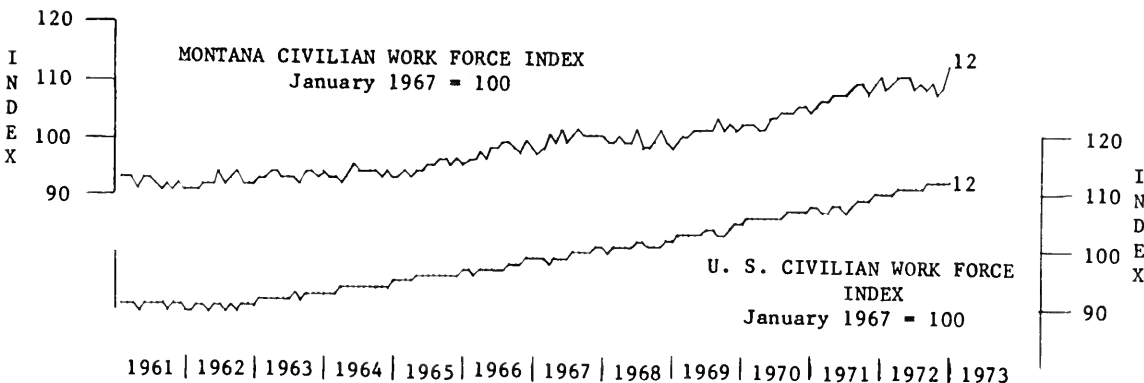
MONTANA NONAGRICULTURAL EMPLOYMENT INDEX
January 1967 = 100



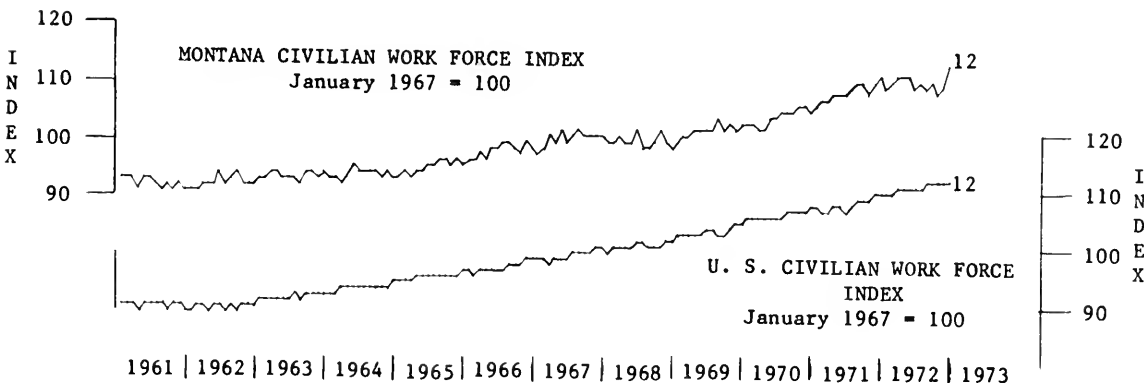
U. S. NONAGRICULTURAL EMPLOYMENT INDEX
January 1967 = 100



MONTANA CIVILIAN WORK FORCE INDEX
January 1967 = 100



U. S. CIVILIAN WORK FORCE INDEX
January 1967 = 100



MONTANA COINCIDING INDICATORS

MONTANA SELECTED INDICATOR

MONTANA COMPOSITE INDEX

1971 1972 1973

1971 1972 1973

1971 1972 1973

State of Montana
Bank Debits
(In 100,000's)
UNADJUSTED ADJUSTED

Total
Nonag.
Placements
(In 000's)

Composite
Index*
6 Leading
Indicators
1967 = 100

1971

January	874.1	835.7	1,359	125.0
February	770.0	877.0	1,736	97.6
March	893.9	924.4	1,272	99.2
April	890.8	926.0	1,834	95.7
May	821.5	883.3	2,966	113.4
June	991.8	986.9	2,720	104.6
July	909.9	916.3	2,561	98.2
August	895.1	948.2	3,810	91.0
September	920.6	929.9	2,844	91.9
October	937.2	862.2	2,292	115.2
November	1,139.5	1,053.1	2,214	102.4
December	1,160.3	1,037.8	1,678	107.8

1972

January	1,044.3	1,008.0	1,496	107.8
February	960.8	1,091.8	1,746	102.0
March	1,030.9	1,066.1	2,202	97.3
April	961.9	1,000.0	2,513	117.1
May	1,112.7	1,196.4	3,197	104.7
June	1,113.4	1,107.8	3,715	101.6
July	1,036.3	1,043.6	3,931	99.2
August	1,074.8	1,138.6	5,516	96.1
September	1,013.7	1,023.9	3,941	93.8
October	1,238.6	1,139.4	3,362	103.5
November	1,235.4	1,141.7	3,075	108.0
December	1,202.9	1,075.9	2,100	105.0

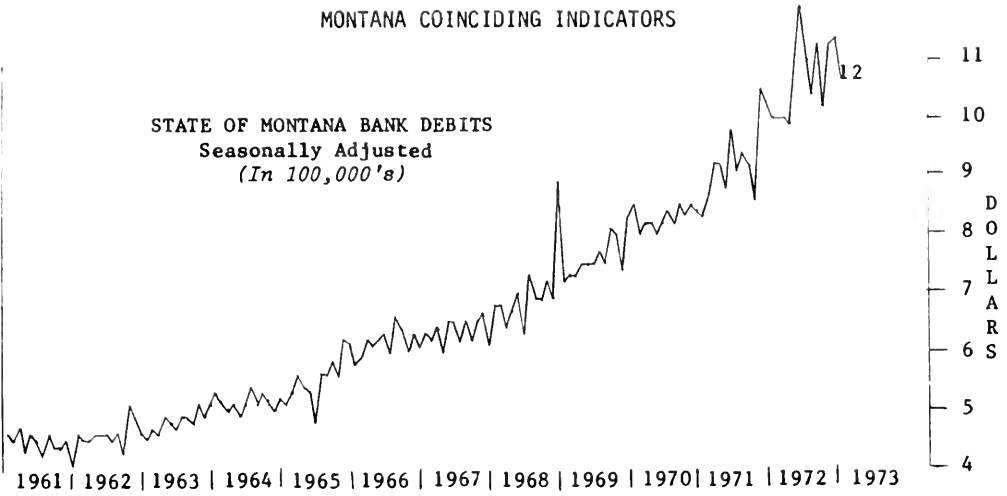
1973

January
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NOTE: Seasonally adjusted data and the use of indexes are provided for statistical analysis only and should not be confused with actual numbers. *See Glossary.

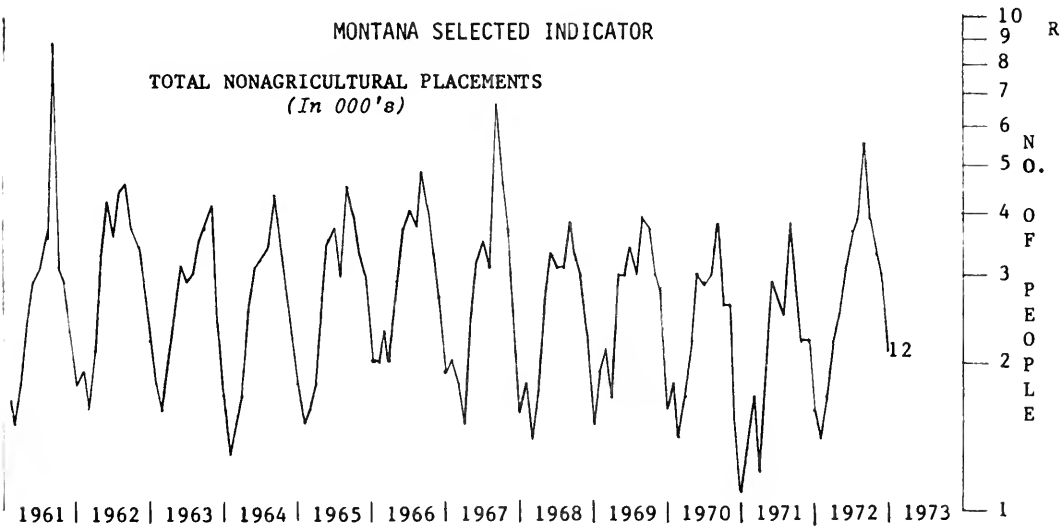
MONTANA COINCIDING INDICATORS

STATE OF MONTANA BANK DEBITS Seasonally Adjusted (In 100,000's)

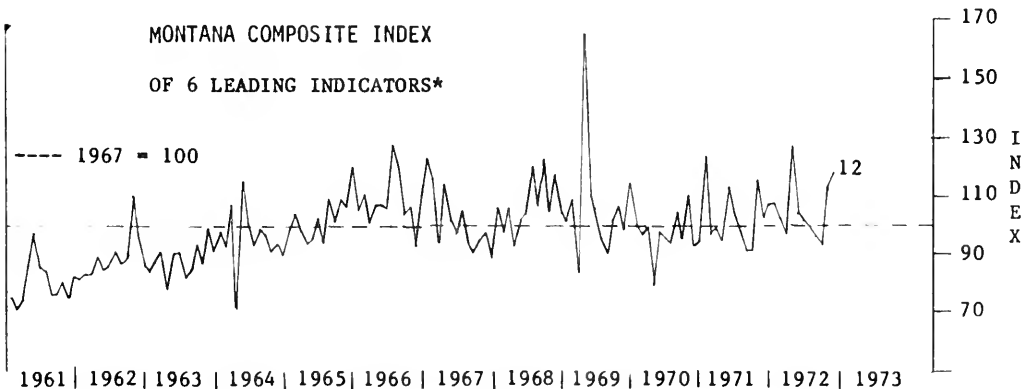


MONTANA SELECTED INDICATOR

TOTAL NONAGRICULTURAL PLACEMENTS (In 000's)



MONTANA COMPOSITE INDEX OF 6 LEADING INDICATORS*



* See Glossary.

MONTANA SELECTED INDICATORS

1970 1971 1972

1971 1972 1973

FARM PRICE INDEX (1947-1949=100)

<u>Prices Paid</u>	<u>Prices Received</u>	<u>Parity Ratio*</u>
--------------------	------------------------	----------------------

<u>Average Hourly Earnings Manufacturing</u> (Dollars)	<u>Employment, Lumber and Wood Products</u> (In Thousands)	
	<u>UNADJUSTED</u>	<u>ADJUSTED</u>

1970

1st Qtr.	170	101	59
2nd Qtr.	169	95	56
3rd Qtr.	171	98	57
4th Qtr.	174	90	52

1971

January	3.81	7.7	7.8
February	3.85	7.6	7.8
March	3.88	8.0	8.4
April	3.90	7.6	8.4
May	3.94	8.1	8.5
June	3.96	9.0	8.8
July	4.02	9.4	9.0
August	3.99	9.6	9.0
September	4.09	9.6	9.1
October	3.90	9.7	9.1
November	3.90	9.4	9.3
December	3.96	9.2	9.1

1971

1st Qtr.	175	98	56
2nd Qtr.	177	95	54
3rd Qtr.	180	98	54
4th Qtr.	184	97	53

1972

January	3.93	8.8	8.9
February	3.93	8.8	9.1
March	3.95	8.7	9.1
April	3.98	8.2	9.1
May	4.04	8.5	8.9
June	4.10	9.1	8.9
July	4.14	8.9	8.5
August	4.11	9.1	8.6
September	4.11	9.2	8.7
October	4.01	9.5	9.2
November	4.07	9.7	9.4
December	4.06	9.0	9.5

1972

1st Qtr.	188	106	56
2nd Qtr.	190	107	56
3rd Qtr.	192	119	62
4th Qtr.		131	68

1973

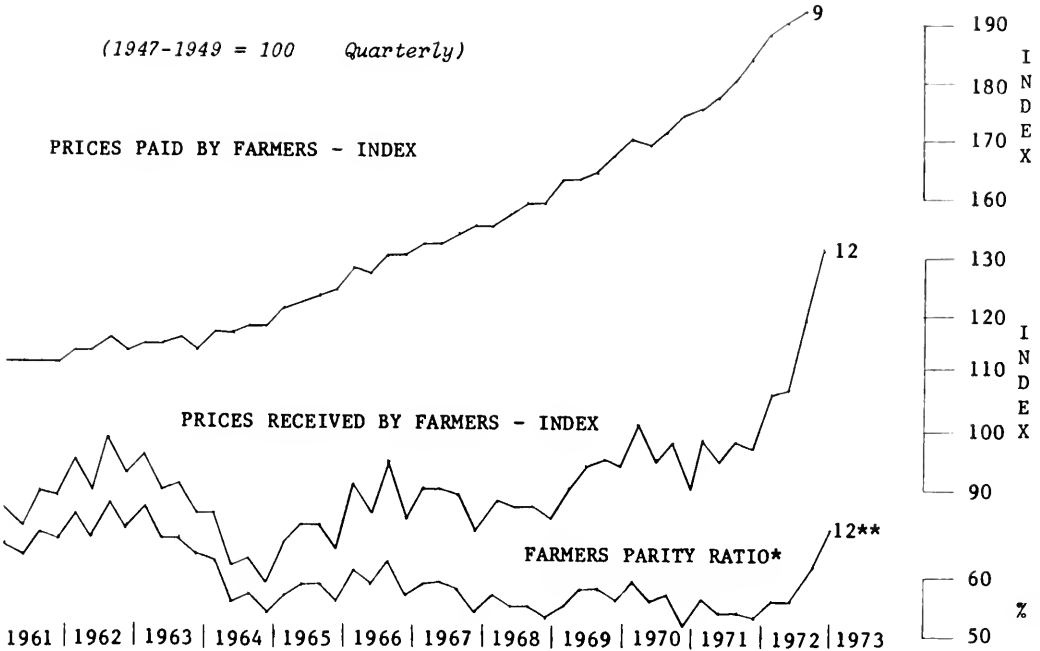
January
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NOTE: Seasonally adjusted data and the use of indexes are provided for statistical analysis only and should not be confused with actual numbers. *See Glossary.

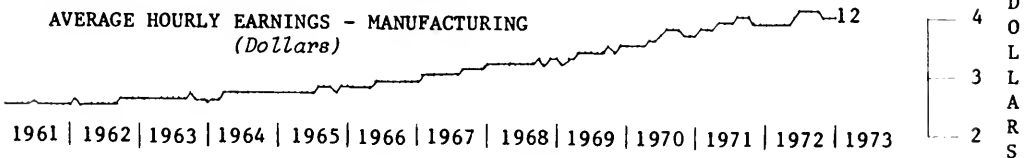
MONTANA SELECTED INDICATORS

(1947-1949 = 100 Quarterly)

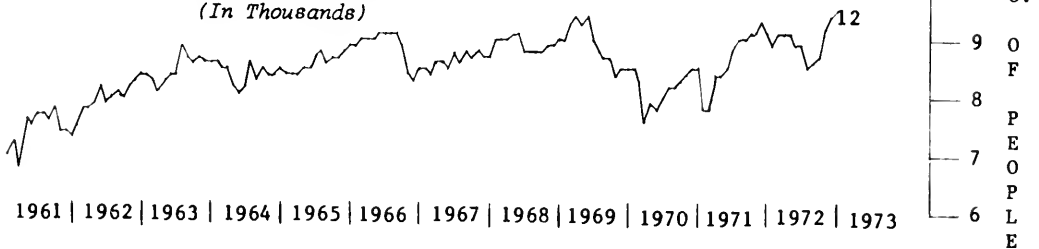
PRICES PAID BY FARMERS - INDEX



AVERAGE HOURLY EARNINGS - MANUFACTURING
(Dollars)



EMPLOYMENT - LUMBER AND WOOD PRODUCTS
Seasonally Adjusted
(In Thousands)



* See Glossary.

** Preliminary.

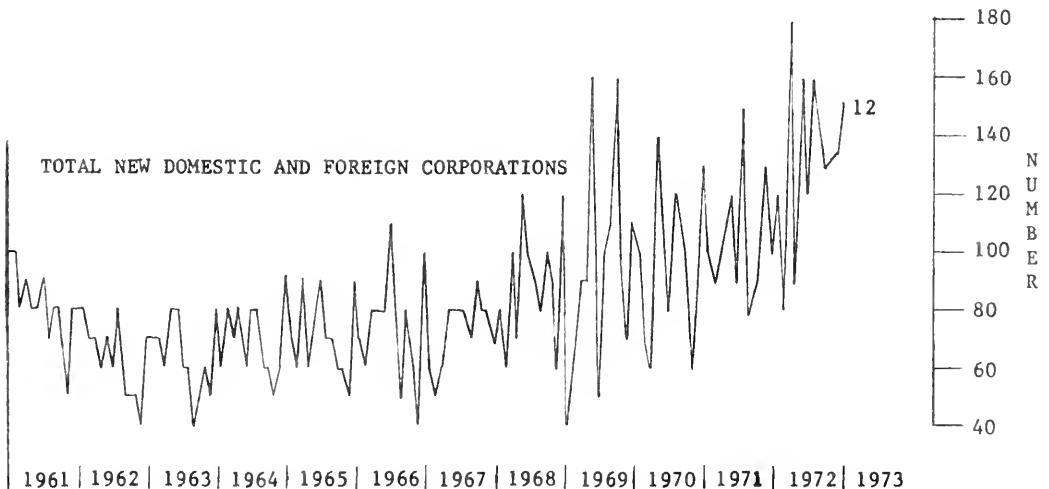
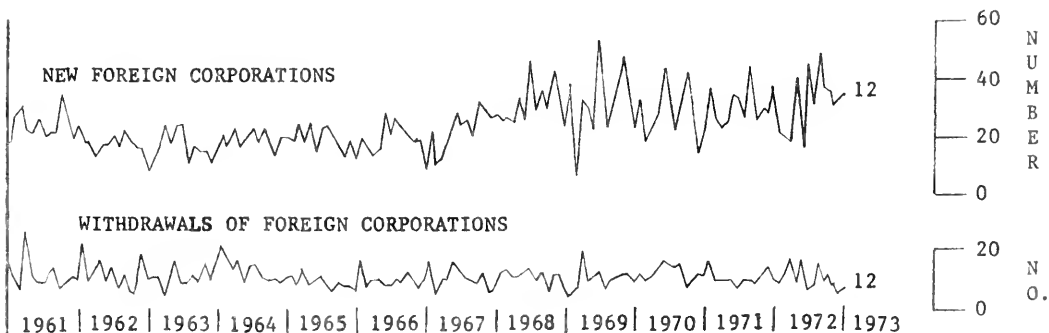
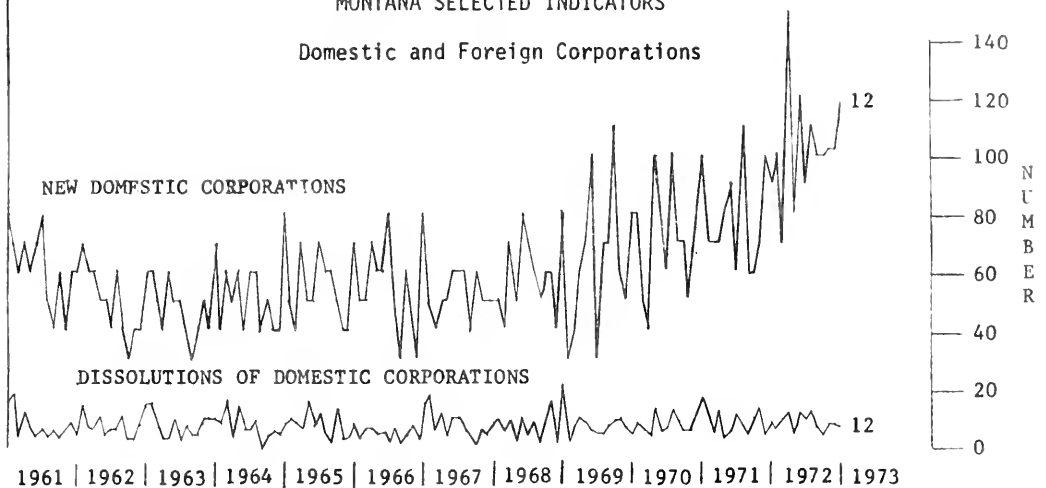
MONTANA SELECTED INDICATORS

1971 1972 1973

	<u>New Domestic Corporations</u>	<u>Dissolutions of Domestic Corporations</u>	<u>New Foreign Corporations</u>	<u>Withdrawals of Foreign Corporations</u>	<u>Total New Domestic and Foreign Corporations</u>
<u>1971</u>					
January	73	12	25	12	98
February	67	5	21	6	88
March	74	12	23	6	97
April	78	4	33	6	111
May	87	5	31	6	118
June	63	11	25	4	88
July	108	8	43	6	151
August	58	5	26	6	84
September	64	10	28	5	92
October	70	13	26	7	96
November	97	5	36	10	133
December	93	8	21	6	114
<u>1972</u>					
January	101	6	18	5	119
February	67	9	17	7	84
March	146	11	39	13	185
April	76	5	15	5	91
May	118	11	43	13	161
June	88	10	30	2	118
July	111	12	47	4	158
August	100	7	35	11	135
September	99	4	34	6	133
October	102	8	31	10	133
November	102	8	33	6	135
December	118	7	34	8	152
<u>1973</u>					
January					
February					
March					
April					
May					
June					
July					
August					
September					
October					
November					
December					

MONTANA SELECTED INDICATORS

Domestic and Foreign Corporations

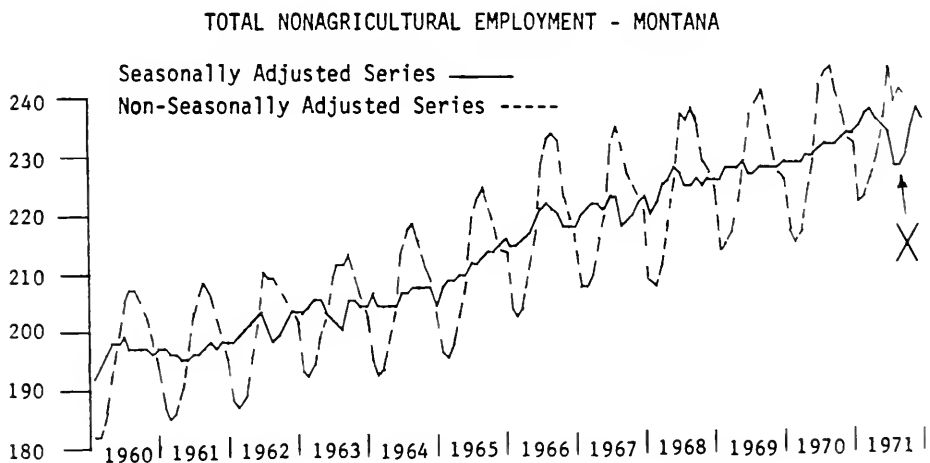


APPENDIX I

GLOSSARY

Seasonal Adjustment - A mathematical procedure in which certain monthly or yearly variations such as climate, holidays, vacation practices, etc., are removed from the statistics. The purpose of this is to simplify analysis over a long period of time and to highlight such non-seasonal occurrences as strikes, natural disasters, floods, earthquakes, etc.

Non-Seasonally Adjusted - or "raw" data will not always reflect such occurrences precisely because of seasonal influences. For example, the following chart is a graph of total nonagricultural employment for the State of Montana for the years 1960 to 1971.



Note the erratic nature of the non-adjusted data, and that a non-seasonal phenomena occurred in 1971 directly above the "X" mark. During this period a labor-management dispute occurred and the seasonally adjusted figures emphasize this point whereas the dispute is not readily apparent in the non-adjusted data. A word of caution is due at this point about non-adjusted and adjusted data. Adjusted data is not a "substitute" for actual data, and should in no way be used as such.

Economic Indicators - Statistical time series whose cyclical characteristics are known and fairly stable, particularly in the timing of their cyclical peaks and troughs relative to business cycle turns. Economic Indicators are used for the interpretation of current, and the anticipation of prospective, business conditions.

Leading Indicators - An economic series that tends to reverse direction sufficiently in advance of changes in total business activity. The peaks and troughs of this type of indicator generally occur from three to several months previous to the peak or trough in total business activity.

Coincidental Indicators - An economic series that tends to parallel the same general pattern of total business activity.

Selected Indicators - A cyclical time series whose true value as an economic indicator is not yet known.

Lagging Indicators - An economic series that tends to reverse direction (reach its peaks or troughs) some time after the total business pattern has changed.

Other Indicators - A statistical series that combines the cyclical changes of the other types of economic indicators. For example, personal income generally lags at the peaks, and leads at the troughs of total business activity.

Montana Composite Index - An aggregate of four leading indicators. The indicators used are: Manufacturing - Average Weekly Hours, Total Accessions, and Layoffs; and Average Weekly Initial Claims. A reverse trend was used for Layoffs and Average Weekly Initial Claims. This composite index is in no manner or form comparable to the United States composite index as published in "Business Conditions Digest", U.S. Dept. of Commerce. The two indexes do not contain the same data, and the Dept. of Commerce used weighted figures while Montana's index used unweighted figures.

Labor Turnover - The movement of wage and salary workers into and out of employment status.

Accessions - All permanent or temporary additions to the employment rolls, which include new hires and other accessions.

New Hires - Permanent and temporary additions to employment rolls of persons who have never been employed by a specific reporting establishment. This includes former employees who have been rehired although not specifically recalled by the reporting employer.

Other Accessions - Additions to the employment rolls of transfers from other establishments of the same company; employees returning from military service or unpaid leaves of absence; employees specifically recalled by an employer.

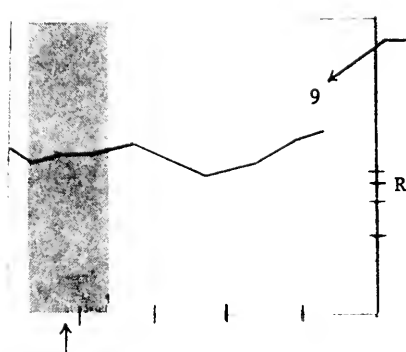
Separations - The termination of employment of persons who quit, are laid off, discharged, retire, die, are inducted into the military for service exceeding 30 consecutive days, suffer physical disabilities, or are transferred to other establishments of the same company.

Quits - The termination of employment initiated by an employee for any reason other than retirement, transfer, or service in the Armed Forces.

Layoffs - Suspension from pay status of an employee, expected to last seven consecutive days. This action must be initiated by the employer without prejudice to the worker, for reasons such as lack of orders, model changeover, termination of seasonal employment, inventory-taking, plant breakdown, technological changeover, shortage of materials.

APPENDIX II

KEY



Arabic numbers above graph lines indicate the last month of the year for which data have been plotted.

"R" indicates that the scale is a ratio (semilogarithmic) scale. All others are arithmetic scales.

Shaded areas on the graph indicate recession periods in the United States as designated by the National Bureau of Economic Research.

Broken lines on graphs indicate that data is not available for that time period.

Montana's indicators have been classified into three types; Leading, Coinciding, and Selected. The classification of Montana's Leading and Coinciding Indicators parallels the Department of Commerce, Bureau of Economic Analysis classification. This has been done to facilitate an easier and more accurate comparison of individual indicators with those of the nation. (This classification, however, does not mean that the Montana Employment Service has endorsed any particular economic theory.)

Historical data available upon request.

